



**Federal Communications Commission  
Enforcement Bureau  
Investigations and Hearings Division  
445 12<sup>th</sup> Street, SW, Suite 4-C330  
Washington, D.C. 20554**

July 27, 2011

DA 11-1270

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED  
AND FACSIMILE**

Mr. Barrett C. White  
c/o Mr. H. Thomas Murphy III  
H. Thomas Murphy, LLC  
1029 Milan Street  
New Orleans, LA 70115

**Re: Notice of Suspension and Initiation of Debarment Proceedings,  
File No. EB-11-IH-1075**

Dear Mr. White:

The Federal Communications Commission (“FCC” or “Commission”) has received notice of your conviction of conspiracy to defraud the United States in violation of 18 U.S.C § 371 in connection with your participation in the federal schools and libraries universal service support mechanism (“E-Rate program”).<sup>1</sup> Consequently, pursuant to 47 C.F.R. § 54.8, this letter constitutes official notice of your suspension from the E-Rate program. In addition, the Enforcement Bureau (“Bureau”) hereby notifies you that the Bureau will commence debarment proceedings against you.<sup>2</sup>

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<sup>1</sup> Any further reference in this letter to “your conviction” refers to your conviction of count one in Case No. 10-324-L. *United States v. Barrett C. White*, Criminal Docket No. 10-324-L, Judgment (E.D.LA. filed June 9, 2011) (“*Judgment*”).

<sup>2</sup> 47 C.F.R. § 54.8; 47 C.F.R. § 0.111 (delegating to the Enforcement Bureau authority to resolve universal service suspension and debarment proceedings). The Commission adopted debarment rules for the schools and libraries universal service support mechanism in 2003. *See Schools and Libraries Universal Service Support Mechanism*, Second Report and Order and Further Notice of Proposed Rulemaking, 18 FCC Rcd 9202 (2003) (“*Second Report and Order*”) (adopting section 54.521 to suspend and debar parties from the E-rate program). In 2007, the Commission extended the debarment rules to apply to all of the Federal universal service support mechanisms. *Comprehensive Review of the Universal Service Fund Management, Administration, and Oversight; Federal-State Joint Board on Universal Service; Schools and Libraries Universal Service Support Mechanism; Rural Health Care Support Mechanism; Lifeline and Link Up; Changes to the Board of Directors for the National Exchange Carrier Association, Inc.*, Report and Order, 22 FCC Rcd 16372, 16410-12 (2007) (“*Program Management Order*”) (section 54.521 of the universal service debarment rules was renumbered as section 54.8 and subsections (a)(1), (5), (c), (d), (e)(2)(i), (3), (e)(4), and (g) were amended.)

## I. Notice of Suspension

The Commission has established procedures to prevent persons who have “defrauded the government or engaged in similar acts through activities associated with or related to the schools and libraries support mechanism” from receiving the benefits associated with that program.<sup>3</sup> On March 3, 2011, you entered a plea agreement and pleaded guilty to intentionally conspiring with others to defraud and obtain money from the federal E-Rate Program.<sup>4</sup> Specifically, on behalf of your co-conspirators’<sup>5</sup> company, Global Network Technologies, Inc. (“GNT”), beginning approximately February 2004 through August 2005 you offered and delivered \$28,500 in bribes and kickbacks to various school officials in exchange for ceding control of the schools’ E-Rate program to GNT and CTA.<sup>6</sup> You also accepted fraudulent billing invoices from a school employee for services never provided by the employee,<sup>7</sup> and concealed the source of your payments to school officials by paying them from a bank account not readily associated with your co-conspirators or their companies.<sup>8</sup> These actions constitute the conduct or transactions upon which this suspension notice and proposed debarment proceeding is based.<sup>9</sup>

On June 9, 2011, you were sentenced to serve one year and one day in prison, followed by a two year period of supervised release, for conspiring to defraud the federal E-Rate program in multiple states.<sup>10</sup> You also were ordered to pay a \$4,000 fine for your role in the conspiracy scheme.<sup>11</sup>

Pursuant to section 54.8(b) of the Commission’s rules,<sup>12</sup> upon your conviction, the Bureau is required to suspend you from participating in any activities associated with or related to the

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<sup>3</sup> *Second Report and Order*, 18 FCC Rcd at 9225, ¶ 66; *Program Management Order*, 22 FCC Rcd at 16387, ¶ 32. The Commission’s debarment rules define a “person” as “[a]ny individual, group of individuals, corporation, partnership, association, unit of government or legal entity, however organized.” 47 C.F.R. § 54.8(a)(6).

<sup>4</sup> *United States v. Barrett C. White*, Criminal Case No. 10-324-L, Judgment at 2 (E.D.LA. filed June 9, 2011).

<sup>5</sup> By letter, the Bureau will serve notice of suspension and initiation of debarment proceedings to Tyrone D. Pipkin, a partner in CTA, who pleaded guilty and was convicted on June 21, 2011 for his role in the conspiracy. The Bureau will also serve notice of suspension and initiation of debarment proceedings to Gloria F. Harper, who pleaded guilty to conspiracy on June 2, 2011, and awaits sentencing. See Justice News, DEP’T OF JUSTICE, Owner of Illinois Technology Company Sentenced to Serve 12 Months and a Day in Prison for Role in Conspiracy to Defraud the Federal E-Rate Program, June 9, 2011, at <http://www.justice.gov/opa/pr/2011/June/11-at-755.html> (“*Press Release*”).

<sup>6</sup> *United States v. Barrett C. White*, Criminal Case No. 10-324-L, Factual Basis at 2 (E.D.LA. filed Mar. 3, 2011) (“*Factual Basis*”). CTA and GNT marketed and provided E-Rate services to schools in Arkansas and Louisiana. *Id.*; *United States v. Barrett C. White*, Criminal Case No. 10-324-L, Information at 2 (E.D.LA. filed Nov. 18, 2011) (“*Information*”).

<sup>7</sup> Information at 4.

<sup>8</sup> Factual Basis at 2-3.

<sup>9</sup> *Second Report and Order*, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.8(e)(2)(i).

<sup>10</sup> *Press Release* at 1; *Judgment* at 3.

<sup>11</sup> *Judgment* at 5. You were also ordered to immediately pay a Special Assessment of \$100. *Id.*

<sup>12</sup> 47 C.F.R. § 54.8(b). See *Second Report and Order*, 18 FCC Rcd at 9225-9227, ¶¶ 67-74.

schools and libraries support mechanism, including the receipt of funds or discounted services through the schools and libraries fund mechanism, or consulting with, assisting, or advising applicants or service providers regarding the schools and libraries support mechanism.<sup>13</sup> Your suspension becomes effective upon receipt of this letter, or publication of the notice in the Federal Register, whichever comes first.<sup>14</sup>

In accordance with the Commission's debarment rules, you may contest this suspension or the scope of this suspension by filing arguments, along with any relevant documents, within 30 calendar days after receipt of this letter, or after notice is published in the Federal Register, whichever comes first.<sup>15</sup> Such requests, however, will not ordinarily be granted.<sup>16</sup> The Bureau may reverse or limit the scope of suspension only upon a finding of extraordinary circumstances.<sup>17</sup> Absent extraordinary circumstances, the Bureau will decide any request to reverse or modify a suspension within 90 calendar days of its receipt of such request.<sup>18</sup>

## II. Initiation of Debarment Proceedings

As discussed above, your guilty plea and conviction of criminal conduct in connection with the E-Rate program serves as a basis for immediate suspension from the program, as well as a basis to commence debarment proceedings against you. Conviction of criminal fraud is a cause for debarment as defined in section 54.8(c) of the Commission's rules.<sup>19</sup> Therefore, pursuant to section 54.8(b) of the rules, your conviction requires the Bureau to commence debarment proceedings against you.

As with the suspension process, you may contest the debarment or the scope of the proposed debarment by filing arguments and any relevant documentation within 30 calendar days of receipt of this letter or publication in the Federal Register, whichever comes first.<sup>20</sup> The Bureau, in the absence of extraordinary circumstances, will notify you of its decision to debar within 90 calendar days of receiving any information you may have filed.<sup>21</sup> If the Bureau decides to debar

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<sup>13</sup> 47 C.F.R. §§ 54.8(a)(1), (d).

<sup>14</sup> *Second Report and Order*, 18 FCC Rcd at 9226, ¶ 69; 47 C.F.R. § 54.8(e)(1).

<sup>15</sup> 47 C.F.R. § 54.8(e)(4).

<sup>16</sup> *Id.*

<sup>17</sup> 47 C.F.R. § 54.8(f).

<sup>18</sup> *Second Report and Order*, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. §§ 54.8(e)(5), (f).

<sup>19</sup> "Causes for suspension and debarment are conviction of or civil judgment for attempt or commission of criminal fraud, theft, embezzlement, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, obstruction of justice and other fraud or criminal offense arising out of activities associated with or related to the schools and libraries support mechanism, the high-cost support mechanism, the rural healthcare support mechanism, and the low-income support mechanism." 47 C.F.R. § 54.8(c). Associated activities "include the receipt of funds or discounted services through [the Federal universal service] support mechanisms, or consulting with, assisting, or advising applicants or service providers regarding [the Federal universal service] support mechanisms." 47 C.F.R. § 54.8(a)(1).

<sup>20</sup> *Second Report and Order*, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.8(e)(3).

<sup>21</sup> *Id.*, 18 FCC Rcd at 9226, ¶ 70; 47 C.F.R. § 54.8(e)(5).

you, its decision will become effective upon either your receipt of a debarment notice or publication of the decision in the Federal Register, whichever comes first.<sup>22</sup>

If and when your debarment becomes effective, you will be prohibited from participating in activities associated with or related to the schools and libraries support mechanism for three years from the date of debarment.<sup>23</sup> The Bureau may set a longer debarment period if necessary to protect the public interest.<sup>24</sup>

Please direct any response, if by messenger or hand delivery, to Marlene H. Dortch, Secretary, Federal Communications Commission, 445 12<sup>th</sup> Street, S.W., Room TW-A325, Washington, D.C. 20554, to the attention of Joy M. Ragsdale, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Room 4-A236, with a copy to Theresa Z. Cavanaugh, Acting Division Chief, Investigations and Hearings Division, Enforcement Bureau, Room 4-C322, Federal Communications Commission. All messenger or hand-delivery filings must be submitted without envelopes.<sup>25</sup> If sent by commercial overnight mail (other than U.S. Postal Service (USPS) Express Mail and Priority Mail), the response must be sent to the Federal Communications Commission, 9300 East Hampton Drive, Capitol Heights, Maryland 20743. If sent by USPS First Class, Express Mail, or Priority Mail, the response should be addressed to Joy Ragsdale, Attorney Advisor, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12<sup>th</sup> Street, S.W., Room 4-A236, Washington, D.C. 20554, with a copy to Theresa Z. Cavanaugh, Acting Division Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12<sup>th</sup> Street, S.W., Room 4-C322, Washington, D.C. 20554. You shall also, to the extent practicable, transmit a copy of the response via email to Joy M. Ragsdale, joy.ragsdale@fcc.gov and to Theresa Z. Cavanaugh, Terry.Cavanaugh@fcc.gov.

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<sup>22</sup> *Id.* The Commission may reverse a debarment, or may limit the scope or period of debarment upon a finding of extraordinary circumstances, following the filing of a petition by you or an interested party or upon motion by the Commission. 47 C.F.R. § 54.8(f).

<sup>23</sup> *Second Report and Order*, 18 FCC Rcd at 9225, ¶ 67; 47 C.F.R. §§ 54.8(d), (g).

<sup>24</sup> *Id.*

<sup>25</sup> See FCC *Public Notice*, DA 09-2529 for further filing instructions (rel. Dec. 3, 2009).

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If you have any questions, please contact Ms. Ragsdale via U.S. postal mail, e-mail, or telephone at (202) 418-7931. You may contact me at (202) 418-1420 or at the email addressed noted above if Ms. Ragsdale is unavailable.

Sincerely yours,

Theresa Z. Cavanaugh  
Acting Chief  
Investigations and Hearings Division  
Enforcement Bureau

cc: Johnnay Schrieber, Universal Service Administrative Company (via e-mail)  
Rashann Duvall, Universal Service Administrative Company (via email)  
Juan Rodriguez, Antitrust Division, United States Department of Justice (via e-mail)  
Stephanie Toussaint, Antitrust Division, United States Department of Justice (via e-mail)